GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:7
ANSWERED ON:20.11.2000
LOSSES IN SEBS
A. VENKATESH NAIK;RAMSHETH THAKUR

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware that some State-Electricity Boards inthe country are running at heavy losses and are under the burden of heavy debt;

(b) if so, the reasons for losses in these State Electricity Boards;

(c) the details of losses and debt burden on each State Electricity Board as on date, State-wise;

(d) whether the Government are also aware that these State ElectricityBoards are exploiting the poor people by resorting to frequent hikes in the electricity tariff in order to make up their losses;

(e) whether the Union Government have been considering/devising strategy to help these boards get over the losses;

(f) if so, the details in this regard; and
(g) if not, the steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY O F POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (g) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF STARRED QUESTION NO. 7 TO BE ANSWERED O 20.11.2000 REGARDING LOSSES IN SEBs.

(a) to (g) Instead of earning a minimum Rate of Return (RoR) of 3% on theinet fixed assets as statutorily required under Section 59 of the Electricity Supply Act, 1948 almost all the State Electricity Boards are showing negativereturns. They are unable to clear their dues to the CPSUs which aremounting. A statement indicating the surplus/deficit of the SEBs is enclosedat Annexure-I. A statement indicating outstanding dues of CPSUs on SEBs is enclosed at Annexure-II.

Major factors responsible for the losses of SEBs include high T&D lossesincluding wide spread theft and pilferage of power unviable tariff structure and unsustainable cross-subsidy, and unsatisfactory billing and collection leading to a large gap between cost of supply and revenue collection. The annual losses on account of theft are estimated to be over Rs.20,000 crores. Effective steps against pilferage of electricity may reduce the need for increase in tariff, to fill the gap between cost of supply and realisation.

The Government of India has taken a number of initiatives towardsimproving the financial health of the sector. The Chief Ministers/Power Ministers Conference was organised on February 26, 2000 which took note ofthe impending difficult situation facing the power supply in the country due to continuing decline in commercial viability of the sector as a whole. It was resolved that reforms must be undertaken with determination, vigour and a sense of urgency. The key elements of the reforms strategy are :

(a) Energy audit at all levels.

(b) Time bound programme of 100% metering of all consumers by December, 2001.

(c) Reduction and finally elimination of power theft within a specified time frame.

(d) Strengthening/upgradation of sub transmission and distribution system by taking sub-station as a unit on a priority basis.

Corporatisation/Co-operatisation/privatisation of distribution would also have to be considered.

The Government of India has also signed Memorandum ofAgreement/Understanding with the States of Karnataka, Madhya Pradesh and Uttar Pradesh affirming the joint commitment of the States and the Centre toundertake reforms in a time bound manner. The Central Government inreciprocation has committed allocation of additional power from Central generating stations and financial

assistance from Power Finance Corporation and investment in transmission lines by POWERGRID.

ANNEXURE-I

ANNEXURE REFERRED TO IN PARTS (a) TO (g) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 7 TO BE ANSWERED IN THE LOK SABHA ON 20.11.2000 REGARDING LOSSES IN SEBS.

COMMERCIAL PROFIT/LOSS OF SEBS (without subsidy) (Rs. crore)

SEBs	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Actual	1997-98 Provi.	1998-99 (RE)	1999-2000 (AP)
1. Andhra Pradesh	-4	-23	-981	-1255	-939	-1376	-2263	-2703
2. Assam	-205	-197	-255	-261	-225	-411	-306	-336
3. Bihar	-280	-190	-189	-211	-442	-496	-514	-548
4. Delhi (DVB)	-207	- 0	-578	-626	-760	-961	-794	
5. Gujarat	-519	-493	-550	-1003	-1069	-1274	-1440	-1498
6. Haryana	-404	-507	-468	-554	-625	-765	-532	-502
7 Himachal Prad	2	-51	19	11	17	10	-33	-4
8. J&K	-225	-293	-347	-363	-507	-662	-643	-347
9. Karnataka	-19	-2	-164	-502	-652	-331	-604	-365
10 Kerala	-65	-75	-129	-183	-208	-199	-162	-451
11 Madhya Pradesh	-493	-377	-594	-602	-464	-941	-1288	-1966
12 Maharashtra	162	189	276	-408	-92	-11	115	214
13 Meghalaya	-8	-3	-21	-20	158	286	105	204
14 Orissa	-85	-196	-136	-231	-344	-287	-405	-186
15 Punjab	-626	-693	-681	-644	-606	-979	-1381	-1223
16 Rajasthan	-260	-415	-412	-430	-269	-386	-577	-882
17 Tamil Nadu	-258	-302	-2	-77	-257	-318	-885	-709
18 Uttar Pradesh	-808	-1202	-1152	-1136	-1821	-1853	-1991	-2142
19 West Bengal	-258	-231	-339	-332	-387	-492	-692	-675
Total	-4560	-5060	-6125	-8770	-9357	-11246	-14458	-14913